

CONTROL OF CAMPAIGN CONTRIBUTIONS*

Sec. 8.5-1. Purpose and intent.

It is the intent of the city council of the City of Belmont in enacting this chapter to place realistic and enforceable limits on the amount which may be contributed to political campaigns in municipal elections, for the purpose of preventing potential improper or undue influence over elected officials by campaign contributions, and to ensure against election victories based primarily on the amount expended on campaigns.

This chapter is intended to supplement the Political Reform Act of 1974; and in the event of a conflict between the act and this article, that act shall prevail. This chapter is enacted pursuant to article XI, section 17 of the Constitution of the State of California, and section 22808 of the California Elections Code.

This chapter shall not apply to contributions or other amounts given to a committee which is organized solely for the purpose of supporting or opposing the qualifications for the ballot or adoption of one or more City measures. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-2. Definitions.

Except for those terms specifically defined herein, the definitions set forth in sections 82000 et seq. of the California Government Code shall be applicable to the provisions and terms of this chapter.

(a) *Candidate* means an individual who is listed on the ballot or who has qualified to have write-in votes on his or her behalf counted by election officials, for nomination for or election to any elective office, or who receives a contribution or makes an expenditure or gives his or her consent for any other person to receive a contribution or make an expenditure with a view to bringing about his or her nomination or election to any elective office, whether or not the specific elective office for which he or she will seek nomination or election is known at the time the contribution is received or the expenditure is made and whether or not he or she has announced his or her candidacy or filed a declaration of candidacy at such time. "Candidate" also includes any office holder

who is the subject of a recall election. An individual who becomes a candidate shall retain his or her status as a candidate until such time as that status is terminated pursuant to Government Code section 84214.

(b) *Committee* means any person or combination of persons who directly or indirectly does any of the following:

- (1) Receives contributions for political purposes totaling five hundred dollars (\$500.00) or more in a calendar year;
- (2) Makes independent expenditures for political purposes totaling five hundred dollars (\$500.00) or more in a calendar year.

(c) *Contribution* means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes. An expenditure made at the behest of a candidate, committee or elected officer is a contribution to the candidate, committee or elected officer unless full and adequate consideration is received for making the expenditure.

- (1) The term "contribution" includes the purchase of tickets for events such as dinners, luncheons, rallies and similar fundraising events; the granting of discounts or rebates not extended to the public generally or the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; the payment of compensation by any person for the personal services or expenses of any other person if such services are rendered or expenses incurred on behalf of a candidate or committee without payment and adequate consideration.
- (2) The term "contribution" further includes any transfer of anything of value received by a committee from another committee, unless full and adequate consideration is received.

*Editor's note—Section 1 of Ord. No. 755, adopted Nov. 12, 1986, added ch. 25, which the editor has redesignated ch. 8.5 in order to maintain alphabetical sequence of chapter titles.

- (3) The term "contribution" does not include amounts received pursuant to an enforceable promise to the extent such amounts have been previously reported as a contribution. However, the fact that such amounts have been received shall be indicated in the appropriate campaign statement.
- (4) The term "contribution" does not include a payment made by an occupant of a home or office for costs related to any meeting or fundraising event held in the occupant's home or office if the costs for the meeting or fundraising event are five hundred dollars (\$500.00) or less.
- (5) Notwithstanding the foregoing definition of "contribution," the term does not include the candidate's own money or property used on behalf of his or her candidacy, personal services or payments made by any individual for his or her own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid to him or her.

(d) *Controlled committee* means a committee which is controlled directly or indirectly by a candidate or which acts jointly with a candidate or controlled committee in connection with the making of expenditures. A candidate controls a committee if he, his agent or any other committee he controls has a significant influence on the actions or decisions of the committee.

(e) *Organization* means any entity other than an individual, political action committee or controlled committee of a candidate, but includes businesses (including sole proprietorships), and non-profit corporations or unincorporated associations.

(f) *Political action committee* means any committee as defined in this chapter other than a controlled committee of a candidate. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-3. Campaign contributions by individuals.

No individual shall make, and no candidate shall receive from any individual, any contribution to the campaign of any individual candidate for any City of Belmont elective public office in excess of one hundred dollars (\$100.00) in any calendar year. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-4. Campaign contributions by organizations.

No organization shall make, and no candidate shall receive from any organization, any contribution to the campaign of any individual candidate for any City of Belmont elective office in excess of two hundred dollars (\$200.00) in any calendar year. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-5. Campaign contributions by political action committees.

No political action committee shall make, and no candidate shall receive from any political action committee, any contribution to the campaign of any individual candidate for any City of Belmont elective public office in excess of two hundred dollars (\$200.00) in any calendar year. No candidate may receive any contributions in excess of six hundred dollars (\$600.00) combined total contributions from political action committees in any calendar year. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-6. Contributions under assumed name.

No person shall make a contribution for any other person under an assumed name or under the name of any other person. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-7. Anonymous contributions.

(a) Contributions, not to exceed a total of fifty dollars (\$50.00) from any one (1) person or source, are permitted to be retained by a candidate or any committee, including a committee supporting or opposing the passage of a measure, when received from anonymous sources or from persons who do not consent to having their name made known. Any such amount in excess of fifty dollars (\$50.00) shall be turned over to the finance director and deposited to the city's treasury.

(b) Except as provided in subsection (a) above, no person shall knowingly accept any contribution in excess of fifty dollars (\$50.00) without obtaining the name, address and occupation of the person making the contribution. For amounts of fifty dollars (\$50.00) or more, the employer's name must also be obtained for reporting purposes. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-8. Contributions by city contractors.

(a) No person who contracts with the city, either for the rendition of personal services or for

the furnishing of any material, supplies or equipment to the city, or for selling any land or building to the city, directly or indirectly, shall make any contributions to a candidate or committee at any time between the commencement of negotiations for and during the completion of the performance under, or the termination of negotiations for, such contract or the furnishing of material, supplies, equipment, land or building, whichever occurs later.

(b) No candidate, agent for a candidate, committee or agent for a committee shall knowingly solicit any contribution from any person prohibited by subsection (a) of this subsection from making such a contribution. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-9. Business contributions.

If a contribution is received pursuant to section 8.5-3 from a person, other than an individual, and the person is controlled by an individual, either by controlling interest in stock, percentage of ownership, or directorship or voting rights, the contribution of that person shall be deemed the contribution of the controlling individual. The controlling individual shall not make any further contribution to a candidate or committee at any time thereafter. Any contribution from a person, other than an individual, shall identify all persons owning more than a ten (10) percent proprietary or voting interest in the person. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-10. Excess contributions.

The total contributions exceeding the maximum provided for in sections 8.5-3 through 8.5-9 will be deposited in the general fund of the city, earmarked to be used for the purpose of defraying the costs of municipal elections. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-11. Statements generally.

(a) *Required.* Each candidate and each committee shall file as a public record with the city clerk four (4) sworn cumulative itemized reports showing the total amounts of contributions received and expenditures made with respect to such election. The required statements may be completed on campaign statement forms required to be filed by state law so long as such forms are completed in sufficient detail to comply with the requirements of this chapter. Such statements shall contain a declaration by the candidate or committee chairperson that the candidate or committee has

neither accepted nor solicited any campaign contribution in excess of the limitations of or in contravention of sections 8.5-3 through 8.5-9 inclusive.

(b) *Contributions.* Each campaign statement shall show the total cumulative amount of contributions received during the period covered by the statement from persons who have given fifty dollars (\$50.00) or less and the total cumulative amount of contributions received during the period covered by the statement from persons who have given a total of more than fifty dollars (\$50.00). Each person who has contributed a total of fifty dollars (\$50.00) or more shall be listed by name, address, occupation, employer and amount contributed. Each person contributing less than fifty dollars (\$50.00), and who has consented to publication shall be listed by name, address, occupation and employer. The total amount received from anonymous sources and from persons contributing fifty dollars (\$50.00) or less who have not consented to publication shall be listed. In the event that any portion of the contributions were received in connection with a fundraiser event, then the statement shall list the number of people in attendance, the gross receipts, the date and location of each event.

(c) *Expenditures Generally.* Each campaign statement shall show the total amount of expenditures made during the period covered by the statement.

(d) *Estimated Future Expenditures.* The campaign statement required to be filed by the candidate or committee upon the Friday next preceding the election date shall include, in addition to all other information required by this article, a statement of estimated additional expenditures which the candidate or committee chairperson reasonably expects to expend on or before the election date. There shall be no violation of this article if such estimate is unintentionally at variance with the amounts actually expended.

(e) *Times for Filing Generally.* Campaign statements required under this section shall be filed at the following times:

- (1) Between forty (40) and forty-five (45) days prior to the election, such statement to cover the period up to and including the forty-fifth day.
- (2) Between twelve (12) and seventeen (17) days prior to the election, such statement to cover the period up to and including the seventeenth day.

- (3) On the Friday preceding the election date to cover the period through the previous day.
- (4) Between fifty-eight (58) and sixty-five (65) days following the election, such statement to cover the period through the fifty-eighth day following the election. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-12. Declaration in lieu of campaign statement.

A candidate or committee need not file a campaign statement if the lawful receipts or expenditures do not exceed two hundred dollars (\$200.00); provided, that the candidate or committee chairperson shall file a written declaration with the finance director that to the best of his or her knowledge not more than two hundred dollars (\$200.00) has been received or expended on behalf of, in support of, or in opposition to a candidacy or measure, and that contributions have not exceeded those limitations established in this chapter. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-13. Suppliers of goods and services; disclosure of records required.

No person who supplies goods or services, or both goods and services, to a candidate or committee for use in connection with the campaign of the candidate or for or against a measure shall refuse knowingly to divulge or disclose to the enforcement authority his record of any expenditure made by the candidate or committee in payment for such goods or services, or both. (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-14. Violations and penalties.

Any person who knowingly or wilfully violates any provisions of this chapter is guilty of a misdemeanor. In addition to any other penalty provided by law, any willful or knowing failure to report applicable law shall be punishable by a fine of not less than five hundred dollars (\$500.00). (Ord. No. 755, § 1, 11-12-86)

Sec. 8.5-15. Effect of violation on election.

(a) The election to office of any candidate who is convicted of a violation of any provision of this chapter shall be void, and such office shall become vacant immediately if the candidate is the incumbent or upon the date the candidate would otherwise have taken office. The vacancy shall be

filled in the same manner as other vacancies in city offices are filled. If a candidate is convicted of a violation of this chapter prior to the time when the election is to take place, his or her candidacy shall be terminated immediately and he or she shall be ineligible for that election. Any person convicted of a violation of this chapter shall be ineligible to hold any office, whether elective or appointive, for a period of five (5) years for each such conviction from and after the date of conviction.

(b) The city clerk shall not issue any certificate of election to any candidate until the campaign statements required by section 8.5-12 or, if no campaign statement is required, the written declaration permitted by section 84212 of the California Government Code, have been filed in the form and at the place required by the Political Reform Act of 1974 as amended. The city council shall not adopt a resolution declaring any candidate to be nominated or elected until such statements or declaration have been filed in accordance with the provisions of this chapter. (Ord. No. 755, § 1, 11-12-86)